

Zambia's state power firm Zesco has \$3.5bn debt - energy minister

Zambia's state power utility Zesco had a total debt of \$3.5bn as at September 2021, energy minister Peter Kapala told parliament on Friday, 15 October.



Source: Gallo/Getty

He added that Zesco had made \$400m in losses between 2018 and 2019 owing to the depreciation of the local Kwacha currency.

Zesco reported its own debt as 30bn kwacha (\$1.78bn in today's exchange rate) in 2019, raising the question of where the extra debt comes from and who holds it.

Earlier this month, Zambian finance minister Situmbeko Musokotwane said Zambia's external public debt had grown uncontrollably over the past decade to almost \$15bn by June this year. Of that, about \$2bn was parastatal debt.

President Hakainde Hichilema won a landslide election victory in August, beating incumbent Edgar Lungu, but his cabinet has since then been primarily pre-occupied with bringing the country's massive debts to light so that it can get IMF emergency relief.

In talks with IMF

Zambia plans to implement policies aimed at making its debt sustainable and talks with the International Monetary Fund - a test case of Western multilateral efforts to make the debt of developing countries more transparent - are moving quickly.

Kapala said disputed invoices and the inability of some mining companies to pay bills had resulted in these entities owing a combined \$887m as at August 2021.

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